BORDER INFRASTRUCTURE FUND AGREEMENT

CANADA – SASKATCHEWAN AGREEMENT ON THE NORTH PORTAL BORDER PROJECT

Canada Saskatchewan Estevan

Improving Canada's Borders Together

Ensemble, améliorons les frontières canadiennes

PREPARED BY
SASKATCHEWAN
HIGHWAYS & TRANSPORTATION

2006-07 ANNUAL REPORT

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1. Introduction

Canada and Saskatchewan signed the Canada – Saskatchewan Agreement on the Saskatchewan North Portal Border Project (Canada – Saskatchewan BIF Agreement) portion of the Border Infrastructure Fund (BIF) on May 11, 2005. As required in Schedule C.3 of the Canada – Saskatchewan BIF agreement this is the second annual report which covers the activities from April 1, 2006 to March 31, 2007. The Canada – Saskatchewan BIF Agreement will expire at the end of the 2008-09 fiscal year.

The development and maintenance of basic border infrastructure is a key component in sustaining and expanding Canada's economic and trade relationship with the United States. Canada must have the capacity to move people and goods safely and efficiently across the border and throughout the province.

Saskatchewan's economy is dependent on the export of goods and services. Modern transportation infrastructure and logistics services are essential to support trade and growth.[1] Saskatchewan's current transportation system supports a wide range of economic activities. These include agriculture and food processing, manufacturing, mining, tourism, and a multitude of service industries.

Saskatchewan's economic strategy[2] contains a commitment to invest in key transportation infrastructure; specifically, infrastructure that promotes safety, encourages tourism, promotes economic growth, and improves highway links between major centres and the world marketplace. The rehabilitation of various components of Highway 39 proposed through the BIF agreement supports this strategy.

Meeting Saskatchewan's current and future economic and trade development needs requires continued preservation and enhancement of the transportation infrastructure. Saskatchewan faces some tremendous challenges as the economy competes in the global marketplace. Modern logistical techniques, such as 'just–in-time' deliveries, are keys to being competitive. Associated with these trends is a shift between the relative importance of the two prevailing modes of transportation in Saskatchewan; rail and truck. Rail continues to decline in importance due in part to a decrease in availability, and increases in freight rates. The shift from rail to road is also directly related to changes in the economy, and the movement towards more high-value, processed goods which require timely and accessible truck service. Failure to provide an efficient transportation infrastructure across the Canada – United States border will hamper the competitiveness of many businesses as well as damage our trade relationships with the United States.

The BIF plan is based on four pillars: (i) the secure flow of people, (ii) the secure flow of goods, (iii) secure infrastructure, and (iv) information-sharing and co-ordination in the enforcement of these objectives.[3] The BIF program is designed to increase the efficiency and functionality of the transportation system in the vicinity of Highway 39 leading to the North Portal – Portal and Canada – United States international Gateway.[4]

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[1] Transportation Trade Corridors – Saskatchewan Highways and Transportation, January 2002
[2] Partnership for Prosperity – Saskatchewan Economic and Co-operative Development, 2001
[3] Border Infrastructure Fund – Infrastructure Canada, 2005
[4] Canada – Saskatchewan Agreement on the Saskatchewan North Portal Border Project (2005), Section 2.2

2. General Overview of Results

Saskatchewan's BIF projects are primarily resurfacing projects which include minor improvements such as roadway widening and the installation of rumble strips and are expected to improve safety and reduce congestion along the border. These projects will expand on improvements completed at North Portal in 1999.[5] The average border wait time has already been decreased by four minutes due to a new driver enrolment centre, a new truck inspection parking lot, and the implementation of expedited customs clearance programs.[6]

In total, over 60 km of Highway 39 will be rehabilitated under the BIF agreement. A rehabilitation program of this size will have a large impact on public perception and safety, as well as effectively reduce user costs for travellers accessing North Portal.[7]

Two resurfacing projects have been completed under the Canada-Saskatchewan BIF agreement since 2003. Both of these projects were undertaken on Highway 39; one from the U.S. Border to Roche Percee and the other from Roche Percee to Estevan. The only work undertaken in the 2006/2007 fiscal year pertaining to the BIF agreement was aggregate crushing in preparation for the resurfacing project on Highway 39 between Macoun and Midale to be completed October 2007.

Project component 4.0 of the BIF program includes the rehabilitation of 9.4 kilometres of Highway 39 through the City of Estevan. A formal agreement was signed on June 7th, 2005 between Saskatchewan Highways and Transportation and the City of Estevan. The city agreed to cost share improvements to 4th Street/Highway 39 through the City of Estevan by providing $1,000,000 in funding. This project has been awarded to Souris Valley Paving Inc. of Estevan.

Highway 39 is part of the National Highway System (NHS) in Saskatchewan. It is located in the southeast corner of the province running from the U.S. border northwest towards Regina and Moose Jaw as shown in Figure 1 (p. 3). This highway provides direct access to U.S. markets and helps control the functionality and capacity of our shared border.

[5] North Portal/Portal Border Crossing Study: Report on 1998 and 1999 Commercial Traffic Trends. Saskatchewan Highways and Transportation

[6] North Portal Program Proposal - Border Infrastructure Fund (2005) p.9 Saskatchewan Highways and Transportation

[7] North Portal Program Proposal - Border Infrastructure Fund (2005) p.9 Saskatchewan Highways and Transportation

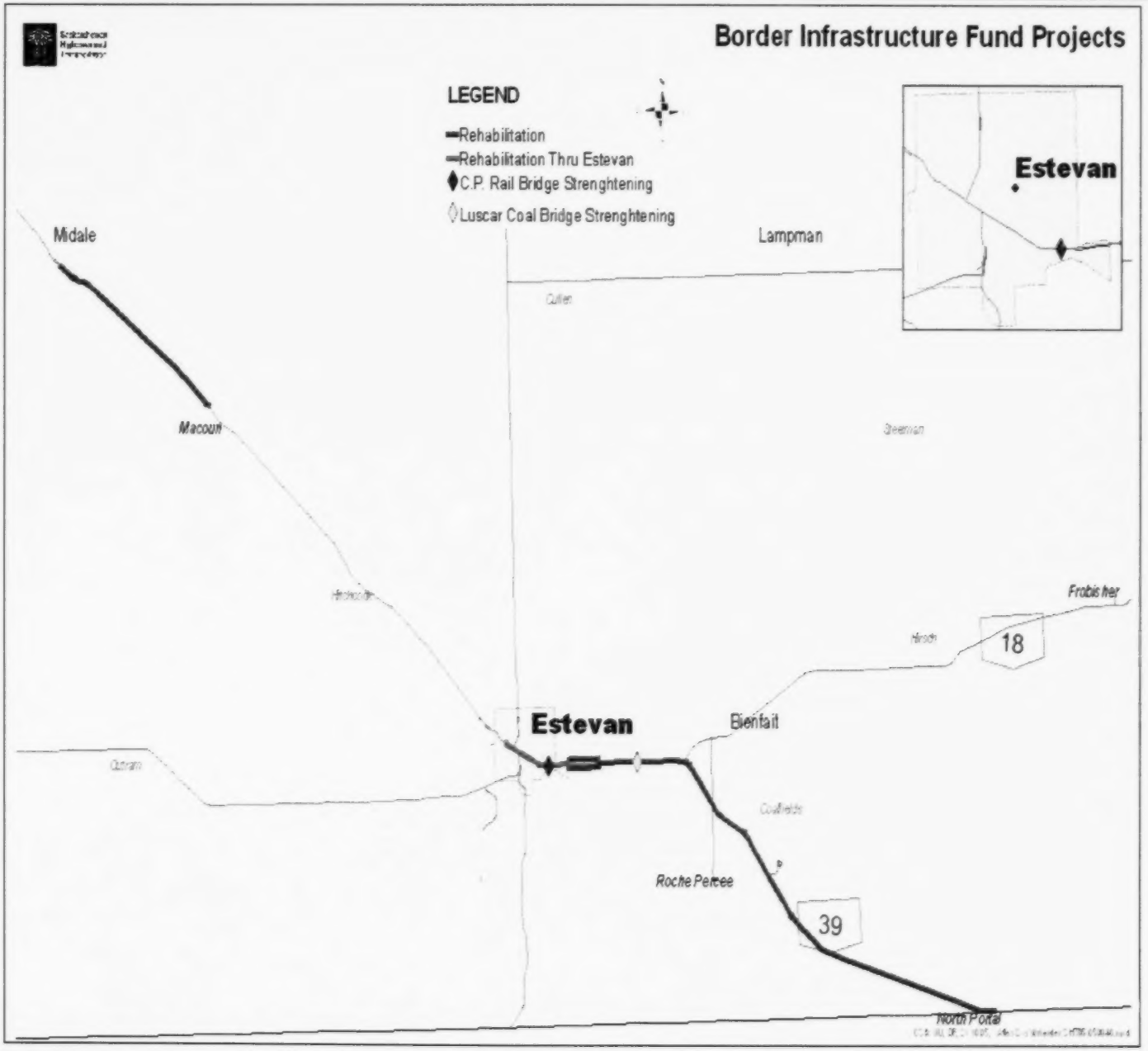


Figure 1: Border Infrastructure Fund Projects

3. Official Management Committee Meetings

The Management Committee for the Canada – Saskatchewan BIF agreement conducted two meetings during the 2006-07 fiscal year. The first meeting was held on April 28th 2006 in Regina, Saskatchewan. David Stearns from Saskatchewan Highways and Transportation (SHT) and Jim Lothrop from Transport Canada (TC) attended as the provincial and federal co-chairs respectively. The federal government was further represented by Leanna Belluz from Transport Canada and Maxine Bilodeau from Infrastructure Canada, who attended by teleconference. John Czernick, Allan Carpentier, Miranda Carlberg, Susan McElravey, and Sarah Plosker attended on behalf of Saskatchewan Highways and Transportation. Susan McElravey and Sarah Plosker attended as co-op students from the University of Regina.

The second Management Committee meeting was held by teleconference on November 27th, 2006. David Stearns once again represented Saskatchewan Highways and Transportation as the provincial co-chair, while James Clarkin of Transport Canada replaced Jim Lothrop as the federal co-chair. John Czernick, Allan Carpentier, Glenn Read, and Wayne Geinow (replacing Miranda Carlberg) attended for SHT. Leanna Belluz, Transport Canada and Harold Kohn, Infrastructure Canada also participated via teleconference.

Discussion of administrative details and project updates took place at these meetings. The agendas and minutes of the Management Committee meetings are attached in Appendix A.

4. Schedule B Revisions

Schedule B of the Canada – Saskatchewan BIF Agreement outlines the projects that are to be undertaken through the agreement. Project proposals are submitted to the Management Committee for consideration. Projects to be undertaken are added to the Schedule B by the federal representative. The Original Schedule B, May 11, 2005 was approved by John Godfrey Minister of State (Infrastructure and Communities), Maynard Sonntag Minister of Highways and Transportation, and Jean-C Lapierre Minister of Transport. There have been three subsequent revisions to Schedule B approved by the Management Committee. Table 1 below provides a brief summary of the Schedule B revisions to date. Schedule B, Revision 3 is attached in Appendix B.

Table 1: Canada - Saskatchewan BIF Agreement Schedule B Revisions

Revision	Revision Date	Reason for Change	Approved By
	May 11, 2005	Original	Approved by Ministers as part of the Agreement
1	March 23, 2006	Cash flow adjustments for project 1.0 and 1.1 and the addition of project 1.2	Approved by the Management Committee
2	March 31, 2006	Minor format change, merged columns.	Approved by the Management Committee
3	March 16, 2007	Resubmitted to update HCoMS to current fiscal year.	Approved by the Management Committee

5. Project Updates and Expected Results

Project 1.1 – Highway 39: Rehabilitation from North Portal to Roche Percee

Project 1.1 consists of resurfacing 18.25 km of Highway 39 from the U.S. Border to Roche Percee.

Project Status

The resurfacing between North Portal and Roche Percee began on January 20, 2004 and was completed on September 29, 2004. The affidavit for this project was submitted on March 29th, 2006 and can be viewed in Appendix C. High iron content in the aggregate resulted in "pitting" across the surface. A flush was applied to the road to fill the surface voids and act as a binding agent to prevent future "pitting". The cost of the project was low and treatment was successful.

Completed Highway at North Portal

Table 2 below shows the contract authorization information for the resurfacing from the U.S. border to Roche Percee.

Table 2: U.S. Border to Roche Percee – Contract Authorization

Contract Authorization	Start Date	Completion Date	Estimated Project Cost	Material Supplied/Work Completed by Saskatchewan	Contractor
PH037111	January 20, 2004	September 29, 2004	$2,553,812	Construction of Surfacing Structure	ASL Paving Limited

Environmental Issues

Given that the project is primarily on existing roadways, little or no impact should occur to wildlife, native species, or heritage resources, particularly since the lands are already chronically disturbed[8]. As a result the project has received Transport Canada exemption from a full environmental assessment.

Financial Summary

A financial summary for the Highway 39 resurfacing project is outlined in Table 3 (p. 6). Figure 2 (p. 6) illustrates the shareable cost of this project compared to the remaining shareable BIF costs.

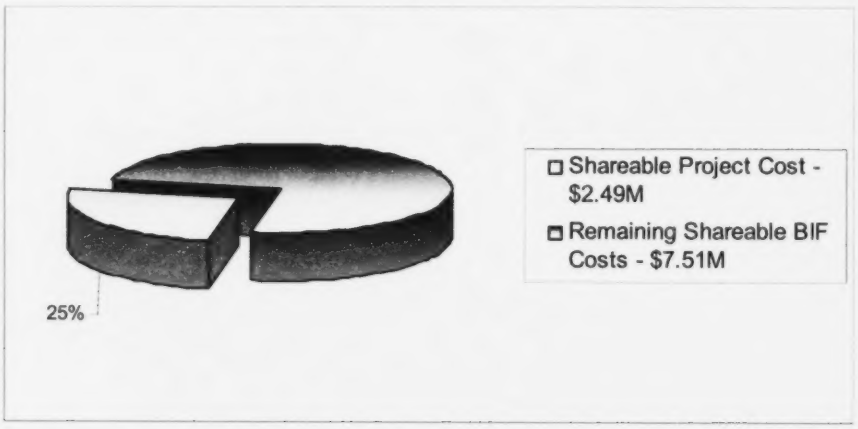
[8] North Portal Program Proposal - Border Infrastructure Fund (2003), p. 15, Saskatchewan Highways and Transportation.

Project costs and forecasted expenditures are based on Schedule B Revision 3 (Appendix B), and actual claims are based on the Detailed Expenditures in Table 9 (p. 14).

Table 3: U.S. Border to Roche Percee - Schedule B Summary

Estimated Project Cost	Shareable Project Cost	Agreement Contributions		Total Actual Expenditures to March 31, 2006	2006/07 Forecasted Expenditures	2006/07 Actual Claims	2007/08 Forecasted Expenditures
		Federal	Provincial				
$2,553,812	$2,491,915	$1,245,958	$1,245,957	$2,101,929	$389,986	$8,200	$0

Figure 2: U.S. Border to Roche Percee BIF Costs



Project 1.2 – Highway 39: Rehabilitation from Roche Percee to Estevan

Project 1.2 consists of resurfacing 20.43 km of Highway 39 from Roche Percee to Estevan.

Project Status

The resurfacing from Roche Percee began on March 1, 2005 and was completed on July 12, 2005. The affidavit for this project was submitted on March 29th, 2006 and can be viewed in Appendix C. Major failures occurred on the east bound lanes of the divided section south of Estevan due to a saturated subgrade. The subgrade was stabilized with the installation of a geotextile fabric which will assist in strengthening the subgrade and will reduce the effects of increased dynamic loading.

Bienfait Intersection

Table 4 below shows the contract authorization information for the resurfacing from Roche Percee to Estevan.

Table 4: Roche Percee to Estevan – Contract Authorization

Contract Authorization	Start Date	Completion Date	Estimated Project Cost	Material Supplied/Work Completed by Saskatchewan	Contractor
PH037112	March 1, 2005	July 12, 2005	$2,241,017	Construction of Surfacing Structure	ASL Paving Limited

Environmental Issues

Given that the project is primarily on existing roadways, little or no impact should occur to wildlife, native species, or heritage resources, particularly since the lands are already chronically disturbed.[9] As a result the project has received Transport Canada exemption from a full environmental assessment.

Financial Summary

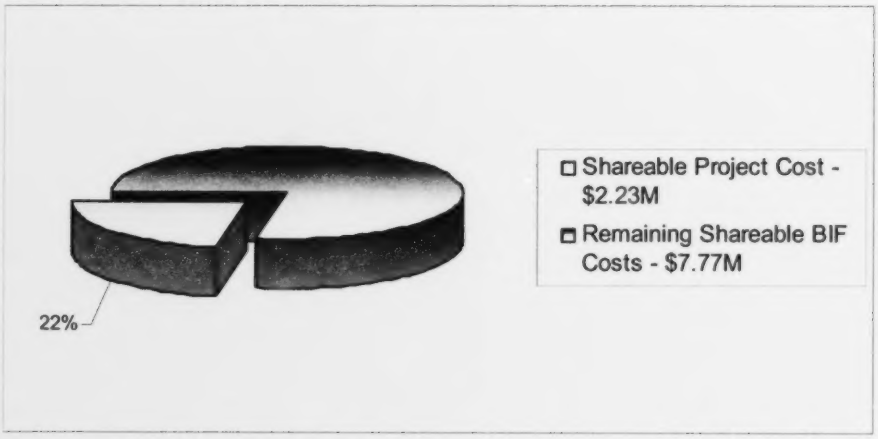
A financial summary for the Highway 39 resurfacing project is outlined in Table 5 below. Figure 3 (p. 8) illustrates the shareable cost of this project compared to the remaining shareable BIF costs. Project costs and forecasted expenditures are based on Schedule B Revision 3 (Appendix B), and actual claims are based on the Detailed Expenditures in Table 9 (p. 14).

[9] North Portal Program Proposal - Border Infrastructure Fund (2003), p. 15, Saskatchewan Highways and Transportation.

Table 5: Roche Percee to Estevan - Schedule B Summary

Estimated Project Cost	Shareable Project Cost	Agreement Contributions		Total Actual Expenditures to March 31, 2006	2006/07 Forecasted Expenditures	2006/07 Actual Claims	2007/08 Forecasted Expenditures
		Federal	Provincial				
$2,241,017	$2,233,526	$1,116,763	$1,116,763	$1,761,142	$472,384	$84,767	$0

Figure 3: Roche Percee to Estevan BIF Costs



Project 3.1 – Highway 39: Rehabilitation between Macoun and Midale

Project 3.1 consists of resurfacing 12.87 km of Highway 39 between Macoun and Midale.

Project Status

The rehabilitation project between Macoun and Midale was awarded to Potzus Paving & Road Maintenance Ltd on December 28, 2006. Crushing for this project began on March 5, 2007, and was completed on May 3, 2007. It is anticipated that the road work will begin in late June, 2007.

Table 6 below shows the contract authorization information for the resurfacing from Roche Percee to Estevan.

Table 6: Macoun to Midale – Contract Authorization

Contract Authorization	Start Date	Completion Date	Estimated Project Cost	Material Supplied/Work Completed by Saskatchewan	Contractor
PH047111	December 28, 2006	October 31, 2007	$2,250,000	Construction of Surfacing Structure	Potzus Paving & Road Maint Ltd.

Environmental Issues

Given that the project is primarily on existing roadways, little or no impact should occur to wildlife, native species, or heritage resources, particularly since the lands are already chronically disturbed.[10] As a result the project received Transport Canada exemption from a full environmental assessment on December 4, 2006.

Financial Summary

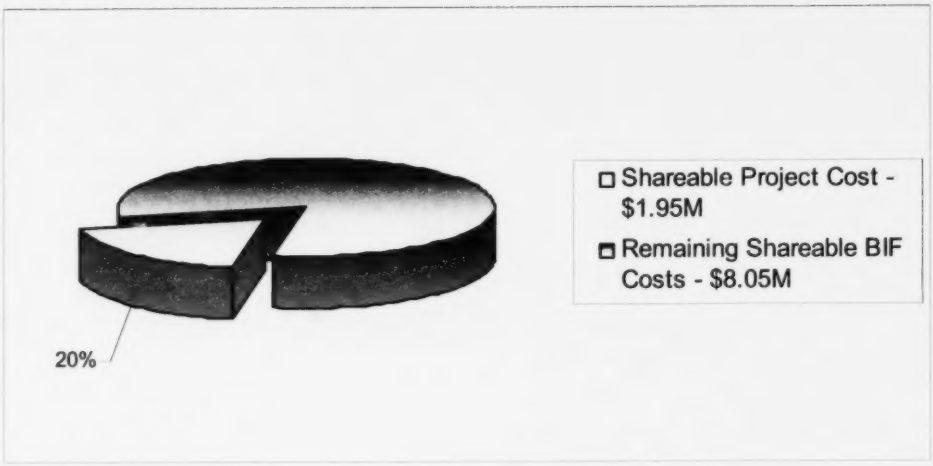
A financial summary for the resurfacing project between Macoun and Midale is outlined in Table 7 below. Figure 4 (p. 10) illustrates the shareable cost of this project compared to the remaining shareable BIF costs. Project costs and forecasted expenditures are based on Schedule B Revision 3 (Appendix B), and actual claims are based on the Detailed Expenditures in Table 9 (p. 14).

Table 7: Macoun to Midale – Schedule B Summary

Estimated Project Cost	Shareable Project Cost	Agreement Contributions		Total Actual Expenditures to March 31, 2006	2006/07 Forecasted Expenditures	2006/07 Actual Claims	2007/08 Forecasted Expenditures
		Federal	Provincial				
$2,250,000	$1,950,000	$975,000	$975,000	$0	$222,060	$50,264	$1,727,940

[10] North Portal Program Proposal - Border Infrastructure Fund (2003), p. 15, Saskatchewan Highways and Transportation.

Figure 4: Macoun to Midale BIF Costs



Expected Results

The resurfacing projects completed under the Canada-Saskatchewan BIF agreement will increase the efficiency and functionality of the transportation system along Highway 39 leading to the Canada – United States international gateway at North Portal.[11] These projects are also expected to improve public perception and safety.

A MicroBENCOST analysis performed on the areas targeted for improvement indicated that fuel consumption would be reduced by 2.1 million litres and carbon monoxide emissions will be reduced by 23,000 kg over the 20 year analysis period. These reductions will contribute to the environmental sustainability of Saskatchewan's transportation system. These projects are also expected to reduce road user costs such as vehicle operating costs, and increase delay savings by $8.6 million over the same analysis period.

The North Portal BIF projects will enhance the movement of people and freight on Highway 39 leading to North Portal. Information on commercial vehicles, carriers, and drivers will be accessible through linkage with the Commercial Vehicle Safety Alliance (CVSA) Inspection Information System for Saskatchewan, as well as the National Safety Code (Canada, U.S. and Mexico) inspection information and carrier profiles. This will improve the flow of commercial vehicles and reduce time delays, as trucks will be stopped only once for a major safety inspection. Improvements to the CPR overpass on Highway 39 will allow for the efficient movement of commodities by eliminating the need for special permits for overweight vehicles. Recent improvements to the North Portal truck inspection parking reduced congestion and improved northbound traffic flow at the border by allowing truck traffic to park adjacent to Highway 39.

[11] Canada – Saskatchewan Agreement on the Saskatchewan North Portal Border Project (2005), Section 2.2,

6. Communications Activities

Schedule A of the BIF agreement stipulates that Canada and Saskatchewan "carry out joint communications activities and products that will promote opportunities to communicate with the public in an open, transparent, effective and proactive manner, using appropriate, ongoing, consistent public information material acknowledging the Parties' contributions." No major communications events have occurred in association with the Canada – Saskatchewan BIF Agreement, but a number of news releases have been provided to the media and public. Table 8 below contains a summary of events and news releases. No news concerning the Canada-Saskatchewan BIF agreement was released in the 2006-07 fiscal year.

Table 8: Communications Activities

Date	Event	Party
March 5, 2003	Announcement of Canada – Saskatchewan BIF Agreement	Canada and Saskatchewan
March 3, 2004	News release for improving highways in the Weyburn/Estevan area	Canada and Saskatchewan
June 7, 2004	News release for improving Highway 47 near Estevan	Canada and Saskatchewan
August 30, 2004	News release for improving Highway 39 north of the U.S. border	Canada and Saskatchewan
March 15, 2005	News release for improving highways in the Weyburn/Estevan area	Canada and Saskatchewan
May 24, 2005	News release for improvements to 4th Street in Estevan	Canada, Saskatchewan, and Estevan
June 29, 2005	News release for improvements to Highway 39 near Estevan	Canada and Saskatchewan

7. At the Border

Enhancing Safety

One of the main objectives of the BIF program is to enhance the safety of people moving between Canada and the U.S. The security of drivers and their vehicles has been improved by a communications infrastructure that allows compliance officers throughout Saskatchewan to view safety inspection data and ticket charges entered by other officers. Upgrades to the Estevan scale site as part of project component 1.0 will help to strengthen safety and security at the border, and supports the Smart Borders Action Plan.

BIF has been a large rehabilitation program, preserving entire roadways and ensuring the public's safety. An important issue has been pavement roughness, which gives way to "driver overload". Driver overload occurs when too much of the driver's attention is used to avoid ruts and potholes. Smooth roads help to reduce accidents caused by driver error, ensuring the safety of travellers. In fact, "the North Portal BIF program will result in ... $197,000 in reduced accident costs"[12]

[12] North Portal Program Proposal Draft - Border Infrastructure Fund (2005), p. 16, Saskatchewan Highways and Transportation.

Other safety measures have been taken to ensure drivers' safety on the newly updated roadways. These include "consolidating access points to reduce conflict points, correcting geometric deficiencies such as curves and sight distances, addressing emergent traffic generators by considering intersection treatments, and adding shoulder rumble strips to warn drivers they are nearing the edge of the roadway."[13]

Coordination with Border Network

The Prairie Region's economy is largely dependent on trade relations with the U.S., focusing attention on border crossing infrastructure. Currently, North Portal is Saskatchewan's only border crossing open to both passenger and commercial vehicles. One of the key goals of the BIF projects has been to ensure enhanced access to the U.S. market. The improvement projects on Highway 39 have built upon the recently completed and ongoing partnership work in the area. North Dakota is presently completing construction work along Highway 52, which will improve access to the Portal/North Portal border crossing.

8. Risk Assessment

The Risk Assessment for the Highway 39 BIF projects considered factors which affect the scope, schedule and budget of these projects. Factors that could cause the project budgets to escalate include fuel prices, environmental problems and haul distance for quality aggregate. Factors that could cause these projects to be completed late include weather and contractor capacity.

The uncertainty in the volatile fuel market is one component which continues to cause project costs to increase. Contractors must bid in risk associated with higher fuel costs which will influence future bids for earth excavation and haul. The large equipment required to haul, shape and compact a road embankment use large quantities of diesel fuel.

Environmental issues can significantly impact project costs. However, for the projects completed thus far, the environmental risks are very low as the department is resurfacing an existing highway and utilizing aggregate from known gravel pits.

Quality aggregate is rare in the south eastern part of Saskatchewan. Potential rock deposits have been rejected because of iron stone and shale content which is not desirable when used in asphalt concrete mixes. One of the gravel pits used for the Highway 39 project had high levels of iron stone. To reduce risks associated with iron stone the highway was flushed with high float oil a year after construction to seal up most of the pop outs (90% to 95% of the pop out will occur during the first year). Other risks associated with this project include cost increases due to underestimating the volume and quality of the aggregate sources. Efforts are continuing to minimize this risk through prospecting and drilling for new aggregate sources. However, new sources would require design changes that could affect the project schedule.

[13] North Portal Program Proposal Draft - Border Infrastructure Fund (2005), p. 19, Saskatchewan Highways and Transportation.

9. Summary of Expenditures

Table 9 (p. 14) details expenditures in the Canada – Saskatchewan BIF Agreement to the end of the 2006-07 fiscal year. The table also shows the remaining funds associated with each contract authorization as approved by the Management Committee on Schedule B, Revision 3.

10. Annual Audit

The Canada – Saskatchewan BIF program was audited for all expenditures up to March 31, 2007 by the Saskatchewan Provincial Auditor. The audit was a requirement of Clause 5.2 of the Canada – Saskatchewan BIF Agreement. The audit report is attached as Appendix D.

Table 9: Canada-Saskatchewan Border Infrastructure Fund – Detailed Expenditures 2006-07

Project Number	Project Description	Contract Authorization	Revised Contract Amount	2005-06 Expenditures Claimed to Date	2006-07 Expenditures Claimed to Date	Total Claimed To Date	Shared Claim Amount (50%)	Contract Balance
1.1	Rehabilitation - North Portal to Roche Percee	PH037111	$ 2,491,915	$ 2,101,929	$ 8,200	$ 2,110,129	$ 1,055,065	$ 381,786

Project Number	Project Description	Contract Authorization	Revised Contract Amount	2005-06 Expenditures Claimed to Date	2006-07 Expenditures Claimed to Date	Total Claimed To Date	Shared Claim Amount (50%)	Contract Balance
1.2	Rehabilitation - Roche Percee to City of Estevan	PH037112	$ 2,233,526	$ 1,761,142	$ 84,764	$ 1,845,906	$ 922,953	$ 387,620

Project Number	Project Description	Contract Authorization	Revised Contract Amount	2005-06 Expenditures Claimed to Date	2006-07 Expenditures Claimed to Date	Total Claimed to Date	Shared Claim Amount (50%)	Contract Balance
2.1	Luscar Coal Haul Road and CPR Overpasses		$ 651,000	$ -	$ -	$ -	$ -	$ 651,000

Project Number	Project Description	Contract Authorization	Revised Contract Amount	2005-06 Expenditures Claimed to Date	2006-07 Expenditures Claimed to Date	Total Claimed To Date	Shared Claim Amount (50%)	Contract Balance
3.1	Rehabilitation Highway 39 Between Macoun and Midale		$ 1,950,000	$ -	$ 50,264	$ 50,264	$ 25,132	$ 1,899,736

Project Number	Project Description	Contract Authorization	Revised Contract Amount	2005-06 Expenditures Claimed to Date	2006-07 Expenditures Claimed to Date	Total Claimed To Date	Shared Claim Amount (50%)	Contract Balance
4.1	Rehabilitation Highway 39 Connector Through City of Estevan		$ 2,000,000	$ -	$ -	$ -	$ -	$ 2,000,000
	Program Total		$ 9,326,441	$ 3,863,071	$ 143,228	$ 4,006,299	$ 2,003,150	$ 5,320,142

APPENDIX A

2006-07 MANAGEMENT COMMITTEE AGENDAS AND MEETING MINUTES

AGENDA
Canada-Saskatchewan
BIF Management Committee Meeting No. 3
April 28, 2006 @ 10:00 am (12:00 pm EST)
Regina, Saskatchewan

1.0 Opening Remarks

2.0 Administrative Details

- 2.1 Note Taker
- 2.2 Approval of Previous Minutes
- 2.3 Management Committee Members (any change in status?)

3.0 BIF Program Management

- 3.1 BIF Management Committee Guidelines/Rules – INFC to discuss finalized guidelines
- 3.2 Review of Last Approved Schedule B (Revision 2)
- 3.3 Project 1.0 and 2.0 – Discussion of Project Scope
- 3.4 Financial Management and electronic payment option
- 3.5 Status of Agreement with the city of Estevan
- 3.6 Eligible costs – wages of employees from the city of Estevan, costs for investigation to underground utilities to help with design
- 3.7 Status of Letter Confirming Project Work will Meet or Exceed TAC Guidelines
- 3.8 Environmental Assessment Issues, exemptions (next section of Highway 39 between Macoun and Midale)
- 3.9 Project Documentation (affidavits, etc.)
- 3.10 HcoMS Issues, Concerns, Limitations
- 3.11 SIMSI Database Update
- 3.12 Annual Reports
- 3.13 Audit Report / Audit Plan
- 3.14 Site Visits for 2006

4.0 Communications

- 4.1 Anticipated Events
- 4.2 Signage

5.0 Project Updates

- 5.1 Status of All Projects

6.0 Other Items

- 6.1 CP Rail Funding at North Portal
- 6.2 City of Estevan Request for Bypass Funding

7.0 Next Meeting

Canada - Saskatchewan Border Infrastructure Fund (BIF) Management Committee Meeting (MC) ***For Sask. North Portal Border Project***	Date: **April 28, 2006** Location: **Regina, Saskatchewan**
Meeting No. 3	
Note Taker: Leanna Belluz – Transport Canada	
Attendees:	David Stearns – Provincial Co-Chair - Saskatchewan Highways and Transportation Jim Lothrop – Federal Co-Chair – Transport Canada Leanna Belluz – Transport Canada Maxine Bilodeau – Infrastructure Canada (by teleconference) John Czernick – Saskatchewan Highways and Transportation Allan Carpentier – Saskatchewan Highways and Transportation Miranda Carlberg – Saskatchewan Highways and Transportation Susan McElravey – Student with Saskatchewan Highways and Transportation Sarah Plosker – Student with Saskatchewan Highways and Transportation

Record of Discussions

1.0 Opening Remarks

Summary: All were welcomed to the third Agreement Management Committee (AMC) meeting for the Canada – Saskatchewan BIF Agreement.

Action items: N/A	**Person responsible:**	**Deadline:**

2.0 Administrative Details

2.1 Note Taker

Summary: Leanna Belluz agreed to take minutes for the meeting.

Action items: Circulate minutes	**Person responsible:**	**Deadline:**
	Leanna Belluz	ASAP

2.2 Approval of Previous Meeting Minutes

Summary: The minutes of the second AMC meeting of September 28, 2005 were approved

Action items: N/A	**Person responsible:**	**Deadline:**

2.3 Management Committee Members

Allan Carpentier will be an alternate member from Saskatchewan Highways and Transportation (SHT). Jim Lothrop has taken over the Federal Co-Chair position from Bryce Conrad, and Maxine Bilodeau is participating for Kris Nanda as the alternate federal member from Infrastructure Canada. SHT mentioned that their new Director is Tim Kealey.

Action items: N/A	**Person responsible:**	**Deadline:**

3.0 BIF Program Management

3.1 BIF Management Committee Guidelines/Rules

Summary: Maxine Bilodeau noted that the Management Committee Guidelines have not been finalized. Infrastructure Canada's new ADM, Carol Beal has not seen the drafts yet. Maxine will keep the AMC informed of when the guidelines are approved. In the meantime, she recommends that we use the SHIP Management Committee Guidelines instead.

Action items:	Person responsible:	Deadline:
INFC to provide updates to the AMC on MC guidelines when available.	Maxine Bilodeau	When available

3.2 Review of Last Approved Schedule B (Revision 2)

Summary: John Czernick noted that Revision 2 has the same cash flows as Revision 0. Revision 1 was created to fix the Shareable cost so that it equaled to $10 Million and Revision 2 was created in order to correct an HCoMS problem with past fiscal year cash flows showing up in the Table. John Czernick handed out a draft Schedule B Revision 3 and agreed to provide TC with a description of Project 1.3 (Upgrade to Estevan Scale Site on Highway 39). It was noted that this project replaces the border improvements that were originally listed in Projects 1.1 and 1.2. John Czernick handed out a copy of the consultant's report that was completed for Project 2.2 (Consultant Review of Highway 39 Luscar Coal Haul Overpass).

Action items: John Czernick to provide TC with a description of Project 1.3 John Czernick to enter Schedule B Revision 3 into HCoMS	Person responsible:	Deadline:
	John Czernick	June 1, 2006

3.3 Project 1.0 and 2.0 – Discussion of Project Scope

Summary: Please refer to item 3.2

Action items: N/A	Person responsible:	Deadline:

3.4 Financial Management and Electronic Payment Option

Summary: SHT noted that they are open to the idea of electronic payment.

Action items: Leanna Belluz to submit to SHT a list of items required to set up electronic payment	Person responsible:	Deadline:
	Leanna Belluz	ASAP

3.5 Status of Agreement with the City of Estevan

Summary: SHT noted that everything is in place.

Action items: N/A	Person responsible:	Deadline:

3.6 Eligible Costs - Wages of Employees from the City of Estevan, Costs for Investigation to Underground Utilities to Help with Design

Summary: The AMC agreed that they are eligible expenses. However, if the underground work does not have any direct tie-in costs to the BIF project, the work would not be considered an eligible cost.

Action items: N/A	Person responsible:	Deadline:

3.7 Status of Letter Confirming Project Work will Meet or Exceed TAC Guidelines		
Summary: The letter was sent to Bryce Conrad, Director of Highways and Borders Surface Programs at Transport Canada from Allan Widger, Executive Director, Engineering Standards Branch at Saskatchewan Highways and Transportation on October 3, 2005.		
Action items: N/A	**Person responsible:**	**Deadline:**

3.8 Environmental Assessment Issues, Exemptions		
Summary: SHT submitted an environmental screening report for the work to be conducted with the city of Estevan. TC will give SHT an answer in the next three weeks whether or not the project may be excluded from conducting an environmental assessment. SHT will provide TC with a description of the remaining work to be completed for Highway 39.		
Action items:	**Person responsible:**	**Deadline:**
TC to provide an answer to SHT regarding the exemption of the work within the City of Estevan	Leanna Belluz	In 3 weeks
SHT to provide TC with a description of the remaining work to be conducted	SHT	June 1, 2006

3.9 Project Documentation		
Summary: Affidavits have been submitted for Projects 1.1 and 1.2.		
Action items: N/A	**Person responsible:**	**Deadline:**

3.10 HCoMS Issues, Concerns, Limitations		
Summary: No major issues were identified by the AMC. Leanna Belluz handed out HCoMS Reference Cards to SHT.		
Action items: N/A	**Person responsible:**	**Deadline:**

3.11 SIMSI Database Update		
Summary: Maxine Bilodeau reported that there were no updates from INFC. Work is still in progress but the system will not be rolled out to the regions yet.		
Action items:	**Person responsible:**	**Deadline:**
Maxine Bilodeau to follow up and see how the regions would get access to the information from SIMSI.	Maxine Bilodeau	Next AMC meeting in the Fall
Maxine Bilodeau to give presentation on SIMSI at the next AMC meeting.		

3.12 Annual Report		
Summary: John Czernick noted that the draft BIF annual report is complete. Jim mentioned that there is a table of items that TC would like to see in the annual report (improving capacity, safety, etc.). The due date for the final report is July 31, 2006.		
Action items:	**Person responsible:**	**Deadline:**
TC will forward the table of items that they would like to see in the annual report to SHT	Leanna Belluz	Next Week

3.13 Audit Report / Audit Plan		
Summary: Jim Lothrop stated that BIF requires a compliance audit. SHT will have to amend the scope of work with their provincial auditors or hire someone else to do the additional work. TC will provide a list of items that would have to be reviewed in the audit. SHT agreed that once they get this item list, they would let TC know how it will be performed. The compliance audit will need to be included in the annual report.		
Action items: TC will provide SHT with a list of items required for review in the compliance audit SHT to let TC know how they will undertake this work	**Person responsible:** Jim Lothrop SHT	**Deadline:** ASAP
3.14 Site Visits for 2006		
Summary: SHT stated that August would be the best time to do a site visit for Highway 39.		
Action items: Leanna Belluz to schedule a site visit	**Person responsible:** Leanna Belluz	**Deadline:** July 2006
4.0 Communications		
4.1 Anticipated Events		
Summary: SHT stated that a priority event would be the start of work within the city of Estevan. Construction could potentially start within a month.		
Action items: Leanna Belluz will let Linda Licari (TC Communications Advisor) know of this event and ask for her to follow up with SHT.	**Person responsible:** Leanna Belluz	**Deadline:** ASAP
4.2 Signage		
Summary: SHT would like to remove signs from Highway 1 since they have been up for the required amount of time and use them for Highway 39. Jim Lothrop did not see a problem with this but said he would confirm if using the same wording from the Highway 1 signs was ok.		
Action items: Jim Lothrop to confirm that SHT could use Highway 1 signs for Highway 39	**Person responsible:** Jim Lothrop	**Deadline:** ASAP
5.0 Project Updates		
5.1 Status of All Projects		
Summary: The work within the city of Estevan will proceed until 2008/2009. There are critical locations such as intersections to deal with as well as the underground work. There are currently unallocated funds in the budget. SHT confirms that these funds will go towards non-Estevan components.		
Action items: N/A	**Person responsible:**	**Deadline:**
6.0 Other Items		
6.1 CP Rail Funding at North Portal		
Summary: Jim Lothrop mentioned that it is at the preliminary stage right now and that it will be going back to Cabinet. He predicts that we will get Cabinet approval soon.		
Action items: TC to provide SHT information concerning the project	**Person responsible:** Jim Lothrop	**Deadline:** When available
6.2 City of Estevan Request for Bypass Funding		
Summary: Jim Lothrop stated that there are no remaining BIF funds for a bypass.		
Action items: N/A	**Person responsible:**	**Deadline:**
7.0 Next Meeting		
Summary: The next AMC meeting will take place in Ottawa during the second week of October. The date is yet to be determined.		

AGENDA
Canada-Saskatchewan
BIF Management Committee Meeting No. 4
November 27, 2006 @ 2:00 pm EST (1:00 pm CST)
Teleconference

1.0 Opening Remarks

2.0 Administrative Details
- 2.1 Note Taker
- 2.2 Approval of previous minutes
- 2.3 Management Committee members changes

3.0 BIF Program Management
- 3.1 Review of last approved Schedule B.2 (Revision 2)
- 3.2 Luscar Coal Haul Road Overpass work
- 3.3 Environmental Screening Report for Macoun to Midale project
- 3.4 Audit Plan/Compliance Audit
- 3.5 Site Visits for 2007

4.0 Project Updates
- 4.1 Status of all projects

5.0 Communications
- 5.1 Anticipated events
- 5.2 Signage

6.0 Other Items
- 6.1 CP Rail Funding at North Portal

7.0 Next Meeting

Canada - Saskatchewan Border Infrastructure Fund (BIF) Management Committee Meeting (MC)

Meeting No. 4

Date: **November 27, 2006**
Location: **Teleconference**

Note taker: Jennifer Hval

Attendees: David Stearns – Provincial Co-Chair - Saskatchewan Highways and Transportation
James Clarkin – Federal Co-Chair – Transport Canada (by teleconference)
Leanna Belluz – Transport Canada (by teleconference)
Harold Kohn – Infrastructure Canada (by teleconference)
John Czernick – Saskatchewan Highways and Transportation
Allan Carpentier – Saskatchewan Highways and Transportation
Wayne Gienow – Saskatchewan Highways and Transportation
Glenn Read – Saskatchewan Highways and Transportation

Record of Discussions

1.0 Opening Remarks

Summary: Welcomed to the fourth Agreement Management Committee (AMC) meeting for the Canada – Saskatchewan BIF Agreement.

Action items: N/A	**Person responsible:**	**Deadline:**

2.0 Administrative Details

2.1 Note Taker: Jennifer Hval

Action items: Circulate minutes.	**Person responsible:**	**Deadline:**
	Jennifer Hval	ASAP

2.2 Approval of Previous Meeting Minutes

Summary: The minutes from the fourth AMC meeting were accepted.

Action items: N/A	**Person responsible:**	**Deadline:**

2.3 Management Committee Members

Summary: James Clarkin (Transport Canada) will be taking Jim Lothrop's place as Federal Co-chair. Harold Kohn (Infrastructure Canada) will be replacing Maxine Bilodeau. Wayne Gienow (Saskatchewan Highways and Transportation) will be replacing Miranda Carlberg. No formal letter will be required.

Action items: N/A	**Person responsible:**	**Deadline:**

3.0 BIF Program Management

3.1 Review of Schedule B - Revision 2

Summary: Schedule B - Revision 3 is not submitted to Transport Canada yet – there is nothing to claim. The cost on the Estevan project will be claimed in Revision 3.

Action items: N/A	**Person responsible:**	**Deadline:**

3.2 Luscar Coal Haul Road Overpass work

Summary: Overpass strengthening work will be required.

Action items: N/A	**Person responsible:**	**Deadline:**

3.3 Environmental Screening Report – Macoun to Midale Project		
Summary: Leanna to review Environment pre-screening report provided for project 3.0, Macoun to Midale surfacing and provide a decision on the exemption status.		
Action items: Leanna will send out a letter for finalization regarding exemption status for project 3.0.	**Person responsible:**	**Deadline:**
	Leanna Belluz	
3.4 Audit Plan/Compliance Audit		
Summary: Audit is in progress.		
Action items: Leanna and James will follow up.	**Person responsible:**	**Deadline:**
	Leanna Belluz James Clarkin	
3.5 Site Visits for 2007		
Summary: To be scheduled for August of 2007.		
Action items: N/A	**Person responsible:**	**Deadline:**
4.0 BIF Project Updates		
4.1 Update on all Projects		
Summary: Estevan was tendered with no bid – will be re-tendered. Surfacing at Macoun to Midale to be tendered late December 2006 or early January 2007 – looking at rubber crumb alternatives and will crush for project this winter.		
Action items: N/A	**Person responsible:**	**Deadline:**
5.0 Communications		
5.1 Anticipated events		
Summary: No events are scheduled for this time.		
Action items: N/A	**Person responsible:**	**Deadline:**
5.2 Signage		
Summary: Signage issues have been sorted out. New sign for Estevan component will include city of Estevan logo.		
Action items: N/A	**Person responsible:**	**Deadline:**
6.0 Other Items		
6.1 CP Rail Funding at North Portal		
Summary: CP Rail funding will not proceed. SHT not directly involved in project at this point.		
Action items: Leanna and James will follow up.	**Person responsible:**	**Deadline:**
	Leanna Belluz James Clarkin	
7.0 Next Meeting		
Summary: To be scheduled for spring of 2007.		

APPENDIX B

SCHEDULE B, REVISION 3

Canada-Saskatchewan Border Infrastructure Fund

Canada / Saskatchewan

Agreement Start Date: 2003/03/05 Agreement End Date: 2009/03/31

PROJECTS TO BE UNDERTAKEN THROUGH THIS AGREEMENT:

Project No.	Project Description	Estimated Total Project Cost $	Contributor	Project Contributions: Shared Project Costs $	%	Previous Claims $	2006/2007 $	2007/2008 $	2008/2009 $	2009/2010 (c1) $	2009/2011 (c2) $	Future Expenditures $
1.0	Hwy 39 from North Portal to Estevan											
1.1	**Rehabilitation - North Portal to Roche Percee** EA: Not Applicable Rehabilitation of Highway 39 from North Portal to Roche Percee (km 0.0 on Control Section 39-01 to km 18.25 on Control Section 39-01) including, but not limited to, planning and evaluation for the program, boder and security improvements	2,553,812	Canada	1,245,958	50.0	1,050,965.00	194,993	0	0	0	0	0
			SK	1,245,957	50.0	1,050,964.00	194,993	0	0	0	0	0
			TOTALS	**2,491,915**	**100.0**	**2,101,929.00**	**389,986**	**0**	**0**	**0**	**0**	**0**
1.2	**Rehabilitation - Roche Percee to City of Estevan** EA: Not Applicable Rehabilitation of Highway 39 from Roche Percee to the City of Estevan SE Maintenance Limits (km 18.25 on Control Section 39-01 to km 9.54 on Control Section 39-02) including, but not limited to, planning and evaluation for the program, border and security improvements	2,241,017	Canada	1,116,763	50.0	880,571.00	236,192	0	0	0	0	0
			SK	1,116,763	50.0	880,571.00	236,192	0	0	0	0	0
			TOTALS	**2,233,526**	**100.0**	**1,761,142.00**	**472,384**	**0**	**0**	**0**	**0**	**0**
	PROJECT 1.0 Subtotals	4,794,829	Canada	2,362,721	**50.0**	1,931,536.00	431,185	0	0	0	0	0
			SK	2,362,720	**50.0**	1,931,535.00	431,185	0	0	0	0	0
			TOTALS	**4,725,441**	**100.0**	**3,863,071.00**	**862,370**	**0**	**0**	**0**	**0**	**0**

Canada-Saskatchewan Border Infrastructure Fund

Canada / Saskatchewan

Agreement Start Date: 2003/03/05 **Agreement End Date: 2009/03/31**

Project No.	Project Description	Estimated Total Project Cost $	Contributor	Project Contributions: Shared Project Costs $	Shared Project Costs %	Previous Claims $	2006/2007 $	2007/2008 $	2008/2009 $	2009/2010 (c1) $	2009/2011 (c2) $	Future Expenditures $
2.0	**Luscar Coal Haul Road and CPR**											
2.1	**Luscar Coal Haul Road and CPR Overpasses** EA: Not Applicable Strengthening Hwy 39 Luscar Coal Haul Road Overpass (Control Section 39-02) and Hwy 39 CPR Overpass (Control Section 39-02) including but not limited to, analysis and design.	661,000	Canada	325,500	50.0	0	26,250	299,250	0	0	0	0
			SK	325,500	50.0	0	26,250	299,250	0	0	0	0
			TOTALS	**651,000**	**100.0**	**0**	**52,500**	**598,500**	**0**	**0**	**0**	**0**
	PROJECT 2.0 Subtotals		Canada	325,500	**50.0**	0	26,250	299,250	0	0	0	0
			SK	325,500	**50.0**	0	26,250	299,250	0	0	0	0
		661,000	TOTALS	**651,000**	**100.0**	**0**	**52,500**	**598,500**	**0**	**0**	**0**	**0**
3.0	**Hwy 39 between Macoun and Midale**											
3.1	**Hwy 39 between Macoun and Midale** EA: Not Applicable Rehabilitation of Highway 39 from km 28.57 to km 41.44. (Control Section 39-03) including, but not limited to safety enhancements, lighting, alignment of intersecting roads as required for rehabilitation.	2,250,000	Canada	975,000	50.0	0	111,030	863,970	0	0	0	0
			SK	975,000	50.0	0	111,030	863,970	0	0	0	0
			TOTALS	**1,950,000**	**100.0**	**0**	**222,060**	**1,727,940**	**0**	**0**	**0**	**0**
	PROJECT 3.0 Subtotals		Canada	975,000	**50.0**	0	111,030	863,970	0	0	0	0
			SK	975,000	**50.0**	0	111,030	863,970	0	0	0	0
		2,250,000	TOTALS	**1,950,000**	**100.0**	**0**	**222,060**	**1,727,940**	**0**	**0**	**0**	**0**

Canada-Saskatchewan Border Infrastructure Fund

Canada / Saskatchewan

Agreement Start Date: 2003/03/05 **Agreement End Date: 2009/03/31**

Project No.	Project Description	Estimated Total Project Cost $	Project Contributions: Contributor	Shared Project Costs $	Shared Project Costs %	Previous Claims $	2006/2007 $	2007/2008 $	2008/2009 $	2009/2010 (c1) $	2009/2011 (c2) $	Future Expenditures $
4.0	Hwy 39 Connector through City of Estevan											
*4.1	Hwy 39 Connector through City of Estevan Rehabilitation of Hwy 39 Connector through Estevan from km 9.54 (Control Section 39-02) to km 0.51 (Control Section 39-03), including enhancements required for rehabilitation.	3,000,000	Canada	1,000,000	50.0	0	620,000	380,000	0	0	0	0
			SK	1,000,000	50.0	0	620,000	380,000	0	0	0	0
			TOTALS	**2,000,000**	**100.0**	**0**	**1,240,000**	**760,000**	**0**	**0**	**0**	**0**
	PROJECT 4.0 Subtotals		Canada	1,000,000	**50.0**	0	620,000	380,000	0	0	0	0
			SK	1,000,000	**50.0**	0	620,000	380,000	0	0	0	0
		3,000,000	TOTALS	**2,000,000**	**100.0**	**0**	**1,240,000**	**760,000**	**0**	**0**	**0**	**0**
5.0	Unallocated Funds											
*5.1	Unallocated Funds Unallocated Funds		Canada	336,779	50.0	0	0	336,779	0	0	0	0
			SK	336,780	50.0	0	0	336,780	0	0	0	0
		673,559	TOTALS	**673,559**	**100.0**	**0**	**0**	**673,559**	**0**	**0**	**0**	**0**
	PROJECT 5.0 Subtotals		Canada	336,779	**50.0**	0	0	336,779	0	0	0	0
			SK	336,780	**50.0**	0	0	336,780	0	0	0	0
		673,559	TOTALS	**673,559**	**100.0**	**0**	**0**	**673,559**	**0**	**0**	**0**	**0**

Transport Canada / Transports Canada

Border Infrastructure Fund

SCHEDULE B

Schedule B
Revision #3
2007/03/09

Canada-Saskatchewan Border Infrastructure Fund

Canada / Saskatchewan

Agreement Start Date: 2003/03/05 Agreement End Date: 2009/03/31

Project No.	Project Description	Estimated Total Project Cost	Project Contributions									
			Contributor	Shared Project Costs		Previous Claims	2006/2007	2007/2008	2008/2009	2009/2010 (c1)	2009/2011 (c2)	Future Expenditures
		$		$	%	$	$	$	$	$	$	$
AGREEMENT TOTALS			Canada	5,000,000	50.0	1,931,536.00	1,188,465	1,879,999	0	0	0	0
			SK	5,000,000	50.0	1,931,535.00	1,188,465	1,880,000	0	0	0	0
		11,379,388	TOTALS	10,000,000	100.0	3,863,071.00	2,376,930	3,759,999	0	0	0	0

* The disbursement of the funds required for this project is conditional upon the completion of an environmental assessment of this project pursuant to the Canadian Environmental Assessment Act and the implementation of any mitigation measures that Canada considers appropriate.

Approved by Management Committee

Canada			Saskatchewan		
2007/03/16	J. CLARK		2007/03/15	David Stearns	
Date (yyyy/mm/dd)	Name (please print)	Signature	Date (yyyy/mm/dd)	Name (please print)	Signature

APPENDIX C

AFFIDAVITS FOR COMPLETED PROJECTS

SCHEDULE F

CANADA – SASKATCHEWAN
CANADA / SASKATCHEWAN - AGREEMENT ON THE SASKATCHEWAN NORTH PORTAL BORDER PROJECT
2003/04 – 2008/09

AFFIDAVIT

CANADA –SASKATCHEWAN

In the matter of the implementation agreement of the CANADA-SASKATCHEWAN AGREMENT ON THE SASKATCHEWAN NORTH PORTAL BORDER PROJECT pursuant to the BORDER INFRASTRUCTURE FUND entered into between the Government of Canada, represented by the Minister of Transport of Canada, and the Government of Saskatchewan, represented by the Minister of Department of Highways and Transportation, Saskatchewan, on 5th day of March, 2003.

I, Brent Miller, a Registered Professional Engineer in Saskatchewan, declare as follows:

1. That I am the supervisor of the work designated by the Minister of Department of Highways and Transportation, Saskatchewan, and as such have knowledge of the matters set forth in this affidavit;

2. That the work identified as the Project Number 1.1 in Schedule B of the above-mentioned Agreement has been completed as described in Schedule B, Revision 1 dated on the 30th day of January, 2006.

3. That the work:

   i. Was carried out by ASL Paving Limited, between the dates of January 7th, 2004 and September 29th, 2004;

   ii. Was supervised and inspected by qualified staff;

   iii. Conforms with the plans, specifications and other documentation for the work;

   iv. Conforms with applicable environmental legislation, and appropriate mitigation measures have been implemented; and

   v. Conforms with the traffic, construction and engineering guidelines as recognized by the Transportation Association of Canada (TAC) or any other provincially or territorially sanctioned guidelines approved by the Management Committee established under the above mentioned Agreement.

4. Declared at Regina, Saskatchewan, the 29th day of March, 2006.

Brent J Miller, Project Manager
(name, title)

(witness name, title)
Ricky Bayko, Project Manager

(SEAL)

PROFESSIONAL ENGINEER
B.J. MILLER
MEMBER 03928
2006 04 05
YR MO DAY
SASKATCHEWAN

SCHEDULE F

CANADA – SASKATCHEWAN
CANADA / SASKATCHEWAN - AGREEMENT ON THE SASKATCHEWAN NORTH PORTAL BORDER PROJECT
2003/04 – 2008/09

AFFIDAVIT

CANADA –SASKATCHEWAN

In the matter of the implementation agreement of the CANADA-SASKATCHEWAN AGREMENT ON THE SASKATCHEWAN NORTH PORTAL BORDER PROJECT pursuant to the BORDER INFRASTRUCTURE FUND entered into between the Government of Canada, represented by the Minister of Transport of Canada, and the Government of Saskatchewan, represented by the Minister of Department of Highways and Transportation, Saskatchewan, on 5th day of March, 2003.

I, Brent Miller, a Registered Professional Engineer in Saskatchewan, declare as follows:

1. That I am the supervisor of the work designated by the Minister of Department of Highways and Transportation, Saskatchewan, and as such have knowledge of the matters set forth in this affidavit;

2. That the work identified as the Project Number 1.2 in Schedule B of the above-mentioned Agreement has been completed as described in Schedule B, Revision 1 dated on the 30th day of January, 2006.

3. That the work:

   i. Was carried out by ASL Paving Limited, between the dates of January 25th, 2005 and July 12th, 2005;

   ii. Was supervised and inspected by qualified staff;

   iii. Conforms with the plans, specifications and other documentation for the work;

   iv. Conforms with applicable environmental legislation, and appropriate mitigation measures have been implemented; and

   v. Conforms with the traffic, construction and engineering guidelines as recognized by the Transportation Association of Canada (TAC) or any other provincially or territorially sanctioned guidelines approved by the Management Committee established under the above mentioned Agreement.

4. Declared at Regina, Saskatchewan, the 29th day of March, 2006.

Brent J. Miller, Project Manager
(name, title)

(witness name, title)
Ricky Byko, Project Manager

(SEAL)

PROFESSIONAL ENGINEER
B.L. MILLER
MEMBER 09588
2006 04 05
YR MO DAY
SASKATCHEWAN

APPENDIX D

ANNUAL AUDIT REPORT

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V2

SASKATCHEWAN

Phone: (306) 787-6398
Fax: (306) 787-6383
Web site: www.auditor.sk.ca
Internet e-mail: info@auditor.sk.ca

AUDITOR'S REPORT

To the Minister of the Department of Highways and Transportation

At the request of the Department of Highways and Transportation (the Department), I have audited the Canada-Saskatchewan Border Infrastructure Fund – Detailed Expenditures for the year ended March 31, 2007 (schedule) under the Canada-Saskatchewan Agreement on the Saskatchewan North Portal Border Project (as defined in Schedule C of the agreement). This financial information is the responsibility of the management of the Department. My responsibility is to express an opinion on this financial information based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In my opinion, this schedule presents fairly, in all material respects, the detailed expenditures under the Canada-Saskatchewan Agreement on the Saskatchewan North Portal Border Project for the year ended March 31, 2007 in accordance with the provisions of Schedule C of that agreement.

Regina, Saskatchewan
July 27, 2007

Fred Wendel, CMA, CA
Provincial Auditor

Canada-Saskatchewan Border Infrastructure Fund
Detailed Expenditures
For the year ended March 31, 2007

Project Number	Project Description	Contract Authorization	Revised Contract Amount	2005-06 Expenditures Claimed to Date	2006-07 Expenditures Claimed to Date	Total Claimed To Date	Shared Claim Amount (50%)	Contract Balance
1.1	Rehabilitation - North Portal to Roche Percee	PH037111	$ 2,491,915	$ 2,101,929	$ 8,200	$ 2,110,129	$ 1,055,065	$ 381,786

Project Number	Project Description	Contract Authorization	Revised Contract Amount	2005-06 Expenditures Claimed to Date	2006-07 Expenditures Claimed to Date	Total Claimed To Date	Shared Claim Amount (50%)	Contract Balance
1.2	Rehabilitation - Roche Percee to City of Estevan	PH037112	$ 2,233,526	$ 1,761,142	$ 84,764	$ 1,845,906	$ 922,953	$ 387,620

Project Number	Project Description	Contract Authorization	Revised Contract Amount	2005-06 Expenditures Claimed to Date	2006-07 Expenditures Claimed to Date	Total Claimed to Date	Shared Claim Amount (50%)	Contract Balance
2.1	Luscar Coal Haul Road and CPR Overpasses		$ 651,000	$ -	$ -	$ -	$ -	$ 651,000

Project Number	Project Description	Contract Authorization	Revised Contract Amount	2005-06 Expenditures Claimed to Date	2006-07 Expenditures Claimed to Date	Total Claimed To Date	Shared Claim Amount (50%)	Contract Balance
3.1	Rehabilitation Highway 39 Between Macoun and Midale	PH047111	$ 1,950,000	$ -	$ 50,264	$ 50,264	$ 25,132	$ 1,899,736

Project Number	Project Description	Contract Authorization	Revised Contract Amount	2005-06 Expenditures Claimed to Date	2006-07 Expenditures Claimed to Date	Total Claimed To Date	Shared Claim Amount (50%)	Contract Balance
4.1	Rehabilitation Highway 39 Connector Through City of Estevan		$ 2,000,000	$ -	$ -	$ -	$ -	$ 2,000,000
	Program Total		$ 9,326,441	$ 3,863,071	$ 143,228	$ 4,006,299	$ 2,003,150	$ 5,320,142

Canada - Saskatchewan Agreement On The
Saskatchewan North Portal Border Project
Notes to the Schedule
For the year ended March 31, 2007

1. **Description of the Agreement**
The purpose of the Canada - Saskatchewan Agreement on The Saskatchewan North Portal Border Project agreement between the Department of Highways and Transportation, Transport Canada and Infrastructure Canada is to jointly finance capital investments, highway construction, restoration and improvement work to the Highway 39 corridor situated in Saskatchewan to improve traffic flow as well as enhanced security and flow of trade between Canada and the United States.

2. **Summary of Accounting Policies**
Expenditures
Claims are recorded as they are submitted to Transport Canada for payment per HCOMS cut-off.

APPENDIX E

SITE VISITS CONDUCTED BY TRANSPORT CANADA

SITE VISIT REPORT Saskatchewan BIF	
Site Visit No. 4 (2006 visit)	**Date: August 30, 2006**
Project Name:	Highway 39 Improvements
Project Location:	Highway 39 – Midale to Macoun and Estevan to North Portal
Project Description:	Reconstruction of 56km of the existing two-lane Highway 39. The work includes reconstruction, paving shoulders, ITS implementation at the border crossing, physical improvements at the border, improvements within the City of Estevan, bridge strengthening and improvements in geometry.
Start Date:	Winter 2004
Completion Date:	2008
Total Eligible Costs:	$ 11 Million (the City of Estevan is contributing $1 Million)
Federal Contribution:	$ 5 Million
Contacts:	John Czernick External Program Administrator Corporate Support Operational Assessment Saskatchewan Highways and Transportation Regina, Saskatchewan (306) 787-3962 Bus. (306) 787-8700 Fax jczernick@highways.gov.sk.ca

Description of Surrounds:	The area is rural and is primarily agricultural. There is also a major industrial coalmine south of Estevan. The existing highway alignment will be maintained and resurfacing will be completed within the existing right-of-way. The topography is fairly flat. There are no wetland areas but the project does cross the Souris River (no work over the water).
Additional Information:	

PROGRAM SIGNAGE

	Yes	No
Program signs installed as per agreement?	Y	
If NO, why not?		

ENVIRONMENTAL MITIGATION

	In Place (Y/N)	Photo No.
Due to the nature of the work (resurfacing within the existing corridor, crossing only one water body, very few residences near this section of Highway) there is little need for environmental protection measures.	N/A	

Additional Comments:

CONSTRUCTION ACTIVITIES
List construction activities during site visit: No construction activities were in progress during the site visit. A visit to the Estevan Weigh Scale Site took place. Improvements to this site include access to the Commercial Vehicle Safety Alliance (CVSA) Inspection Information System for Saskatchewan, and the National Safety Code (Canada, U.S. and Mexico) information on commercial vehicles, carriers and driver profiles. Other improvements include the installation of a new desktop computer including the Norac Weigh software; two new display boards, and weigh equipment (software compatible) including digital converters and indicators.
General construction schedule for remainder of project: Highway 39 from North Portal to Roche Percee – Completed Highway 39 from Roche Percee to City of Estevan – Completed Improvement to Estevan Vehicle Weigh Scale Site – Completed Highway 39 from Midale to Macoun – Project to start in Spring 2007 Work within the City of Estevan – Saskatchewan Highways and Transportation did not receive any bids for this project, therefore, re-tendering is planned dividing the project into smaller portions. Luscar Coal Haul Road and CPR Overpasses – TBD
Any discrepancies between the proposed project description and what is being built? No. Construction is proceeding as per the agreement.
Additional Comments: Site photos in addition to those below can be found on the TC drive at: G:\AHS\AHS NEW\Highways\Saskatchewan\y-Federal Programs\Site Visits\Highway 39 Site Visit August 30, 2006

Photo 1 – Estevan Weight Scale Facility

Photo 2 – CPR Overpass

Photo 3 – Partnership Sign on Highway 39

Photo 4 – Luscar Coal Haul Overpass

Photo 5 – Bad condition of road in the city of Estevan